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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 03/20/08

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ARTICLES:

(1) Vacancy in BOJ governorship (Part 1): Japan may be unable to send governor to G-7 in April; Concern that international confidence in Japan will decline

TOKYO SHIMBUN (Page 1) (Full)  
May 20, 2008

An atmosphere of tension swept across the main office of the Bank of

Japan (BOJ) in Nihonbashi, Tokyo, yesterday, when Governor Toshihiko Fukui's term of office expired.

The House of Councillors, which the opposition bloc controls, rejected the government's nomination of Koji Tanami, a former vice foreign minister, for the BOJ governorship in its plenary session held yesterday afternoon. As related persons had worried since the opposition voted down the government's first nomination of Deputy BOJ Governor Toshiro Muto for the post, the top BOJ post has been vacant since yesterday.

The BOJ sent to the U.S. Federal Reserve Bank (FRB) and other major central banks on the phone or in writing the message that "Mr. Shirakawa now serves as acting governor" after the expiration of Fukui's term.

This is first time in 85 years, since September 1923, for the post of BOJ governor to be left vacant. At that time, the vacated seat was filled only two days later. This time, however, the leadership vacuum at the central bank was caused as a result of political strife in the politically divided Diet situation, prospects for the situation to return to normal are nowhere in sight.

The central banks of other industrialized countries have set a mechanism under which the incumbent will stay on if a new governor is not selected even after the incumbent's term ends, from the viewpoint of crisis management. That is because the central banks deal with the global market that is in operation on a round-the-clock basis. The current situation in the BOJ is quite unusual internationally.

If the current situation continues for a while, the BOJ will face a  
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major trial at a meeting of Group of Seven (G-7) finance ministers and central bank governors to be held in Washington in early April. Since there is no precedent in which an acting governor's participation was approved as the central bank representative, Japan may have to give up sending anyone from the BOJ.

A senior Finance Ministry official said with a serious look: "If the governor of one nation is absent, its finance minister will explain the nation's monetary policy. In such a case, though, there will inevitably be a limit. There is the possibility that no probing discussion will be conducted, with the finance minister just reading a prepared paper."

The focus of attention at the upcoming G-7 will be on how to ready a coordinated action plan under the lead of the U.S. to deal with the U.S. subprime mortgage crisis. Great expectations are placed on the roles to be played by the central banks at the meeting. Former FRB Chairman Greenspan contributed an article to the British newspaper Financial Times last month, in which he labeled the monetary market turmoil set off by the subprime loan problem as "the largest single crisis since the end of World War II."

The BOJ has started work to coordinate views with countries concerned to enable the acting governor to attend the G-7. But the possibility is growing that the BOJ will be left out of discussion at an unprecedented crucial time.

Hugh Patrick, a professor at Columbia Business School and a specialist on the Japanese economy, said that the BOJ leadership vacuum will "result in sending to the world the message that the Japanese government has become so weakened that it remains unable to make an important judgment on economic policy." He added: "Japanese politics is like a Kabuki performance. One cannot understand what is going on behind the scenes and what negotiations are being carried out." Professor Patrick then gave this advice: "I would be advisable that Japan appoint a new governor prior to such an important international conference as the G-7."

Deputy Governor Masaaki Shirakawa, who serves as acting governor, is the best theorist in the BOJ and is also well known internationally. A senior BOJ officer said: "He has to demonstrate that he can do things without a hitch under this situation." But he angrily said

that the vacancy in the BOJ top post will deal a serious blow to Japan, because its state governance will be questioned."

The international confidence of the Japanese central bank will be significantly undermined. The situation will be worsening every moment.

(2) Editorial: Mr. Fukuda, the situation is more serious than you think

ASAHI (Page 3) (Full)  
March 20, 2008

The top seat of the Bank of Japan is now vacant, which is an unprecedented emergency, especially at a time when the global economy is being shaken.

A direct cause of the leadership vacuum at the central bank is the rejection of the government's nominations for the new BOJ governor by the main opposition Democratic Party of Japan (DPJ) and other

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opposition parties. In the House of Councillors plenary session, the opposition did not approve the nomination of Koji Tanami, a former vice finance minister. However, the main cause lies in Prime Minister Yasuo Fukuda's bungled handling of the nomination issue.

Although the DPJ's conduct was inappropriate, Fukuda is to blame for failing to get approval of his nominees from the opposition. The two nominations for the new BOJ governor were rejected due to his lax approach to the problem.

The political situation has been in shambles for the entire six months since the Fukuda government came into office.

For about three months after he took office, Fukuda spent most of his energy on continuing and resuming the Self-Defense Maritime Force's refueling operation in the Indian Ocean. He has been striving hard to retain the current provisional tax for gasoline and road-related taxes. But politics has not kept pace with his efforts.

Although only ten days are left until the end of the current fiscal year, when the issue of revenue sources for highway construction is hoped to be resolved, consultations on a revision of the government's drafted bill have yet to begin. Fukuda said that he would not interrupt the daily lives of the people, but the possibility is strong that gasoline prices will drop in April 1 when the terms of the provisional tax rates will expire. Does the prime minister plan to hike those tax rates again by using the ruling coalition's majority in the House of Representatives? He will likely make the same mistake as he did when he nominated candidates to serve as the new BOJ chief, saying: "It is unacceptable for the BOJ helm to be left vacant."

Fukuda may want to say that the opposition camp, which has tried to stand in his way in the Upper House, should take the blame. However, he should have had the desire to overcome such situations when he took over the government helm.

It is only natural that Diet business is not proceeding as smoothly as it did before since the ruling parties do not control the Upper House. The Fukuda government cannot make decisions in a flexible manner.

The largest opposition party also is in turmoil. DPJ President Ichiro Ozawa tried to form a grand alliance with the ruling Liberal Democratic Party, but he has now locked horns with the ruling coalition over various issues. One of the reasons for getting the appointment of the new BOJ governor complicated is that the DPJ did not easily reach consensus on the issue of whether Muto should be promoted to the governor's post.

Why did the Japanese politics become such a mess? Many people might think that a Lower House dissolution and general election would be

the only way to break the present political stalemate.

On the day when the Fukuda cabinet was inaugurated, we wrote an editorial titled "Proposal for Lower House dissolution in January." The point of the editorial was that the prime minister would not be able to manage politics with confidence unless he established the legitimacy of his government by asking the people's vote of confidence.

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We wrote the editorial because we felt a fear that politics would come to a standstill. Our fear has turned into reality. The international community may be disappointed at Japan more and more. The prime minister should face squarely the seriousness of the situation.

(3) Dispatch Box: I want to believe that politics is now before dawn

MAINICHI (Page 2) (Full)  
March 20, 2008

By Masao Yora, Mainichi Shimbun commentator

Public opinion on former Prime Minister Junichiro Koizumi is still divided. I think, however, the reasons the Koizumi government had remained in power such a long time were that its consistent public support and that the ruling and opposition parties feared the unpredictable and eccentric prime minister might dissolve the House of Representatives.

Prime Minister Yasuo Fukuda, who has common sense, has been in trouble, because he lacks two factors. The public support rates for his cabinet have remained low. Both ruling and opposition camps are confident that Fukuda will not be able to dissolve the Lower House for the time being. For example, the main opposition Democratic Party of Japan (DPJ or Minshuto) was able to reject the government's candidates for the new governor of the Bank of Japan because the largest opposition force believed that Fukuda would not dissolve the Lower House.

DPJ President Ichiro Ozawa also lacks visibility in his party. He had initially gone along with the government's nomination of Toshiro Muto, a former administrative vice finance minister, for the BOJ governorship, but he failed to convince party members, who have now moved away from him.

Since the top leaders of the two parties have lost their grips on their parties, the Diet has not decided anything, and the public's anxieties about the economy will strengthen. I wrote in this column last month that calls for a grand alliance from newspapers and business circles would become stronger. However, it has now become difficult to form a grand alliance (of political parties). I strongly oppose the grand alliance notion. But political parties have lost their energy to substantially move forward with politics.

Politics are now in a critical situation. Even though I want to believe that politics will again move forward, what can I say about what has happened to the Bank of Japan? There is no other way but to rebuild politics by letting the voters have their say. Is this idea overly optimistic?

(4) Fukuda stresses need to create consumer agency with strong authority

YOMIURI (Page 2) (Excerpts)  
March 20, 2008

Prime Minister Fukuda stressed his determination last night to make efforts to establish a new government agency separated from existing government offices and tasked with dealing exclusively with consumer

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affairs. His determination reflects a call in a final report submitted the same day by the Liberal Democratic Party's Research Committee on Consumer Issues, chaired by Seiko Noda. Replying to questions by reporters at his official residence, Fukuda said: 'It is necessary to establish a government office that considers things from the consumer's viewpoint.'

The government's Council for Promoting Consumer Policy, composed of experts, has discussed a new organization since last month. The panel plans to come up with a conclusion on specific functions of the new agency and other details possibly in May, based on the final report and a report with recommendations to be submitted later this month by the Council for National Consumer Affairs, an advisory panel to the prime minister.

The prime minister said: "The policy direction shown in the final report is similar to my own thinking." He then indicated that powerful authority should be given to the new body, saying: "It is necessary to set up a body with such powers as collecting information, making policy plans, and issuing an instruction to other government agencies if necessary."

The final report of the Research Committee on Consumer Issues called the new body an independent-type "consumer agency" and proposed providing the agency with great authority, including powers to (1) make an on-site inspections into entities whose products caused accidents; (2) confiscating the profits improperly earned by vicious entities; and (3) urging other government agencies to correct their practices. Regarding consumer affairs centers in local areas, a number of local governments have reduced the scale of the centers, reflecting their austere financial conditions. Given this, the report proposed reinforcing their functions, including budgetary allocations and the number of personnel.

(5) Poll in Iraq: Support for Prime Minister Maliki doubles to 40 PERCENT

ASAHI (Page 1) (Full)  
March 19, 2008

Yasunori Kawakami, Samawah, Iraq

More than 70 PERCENT in the southern Iraqi province of Muthanna support Iraqi Prime Minister Maliki and his administration, the Asahi Shimbun found from its public opinion survey conducted there. In addition, the survey also found that the proportion of those who think Prime Minister Maliki is appropriate as "government leader" has doubled as compared with the last survey taken in August 2006. The survey was conducted in Muthanna only. However, it shows that the Maliki administration has now consolidated support and is becoming stable in Iraq's central and southern parts, whose population is mostly Islamic Shiite.

In the survey this time, respondents were asked about public security in the province of Muthanna. In response to this question, a total of 99 PERCENT answered that it was "good." In the summer of 2007, former Muthanna Gov. Hassani was assassinated. After that, police and security forces controlled by the Supreme Islamic Iraqi Council (SIIC), to which Hassani belonged, clashed with the Mahdi militia led by Muqtada al-Sadr. The police currently set up checkpoints all over the southern Iraqi city of Samawah to contain Mahdi militants.

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Respondents were also asked who they thought was appropriate as their nation's leader. In response, 40 PERCENT picked Maliki, who was at 18 PERCENT in the last survey. In the survey this time, former Iraqi Prime Minister Jafari was at 30 PERCENT. In the last survey, Jafari was at 49 PERCENT, topping all others. In the latest survey, however, Maliki topped Jafari. Meanwhile, Sadr was down from 14 PERCENT to 6 PERCENT. These figures can be taken as reflecting a decline of the Mahdi militia's influence and a growing trend of the public's stability-oriented mindset.

In the latest survey, respondents were asked to compare their daily

lives with the prewar situation. To this question, 29 PERCENT answered that things have improved very much. In the last survey, their proportion was 23 PERCENT . Asked how their daily lives will change from now on, 44 PERCENT said their daily lives will improve very much, up from 28 PERCENT in the last survey. As seen from these figures, more people are now optimistic about their present-day and future situations.

When asked about serious problems, "no job" accounted for 53 PERCENT , followed by "radical terrorism" at 35 PERCENT and "electric power shortage" at 32 PERCENT .

When considering stability in the Shiite region including Muthanna, the influence of Abdul Aziz al-Hakeem, who leads the SIIC, is a key factor. The SIIC controls province governors, police, and security forces in the central and southern parts of Iraq. However, only 3 PERCENT answered that they thought of Hakeem as a government leader. That is because he does not have a widespread base of public support. Hakeem is close to Iran, and Shiite people are strongly prone to react against him.

Hakeem's low popularity shows that the Shiites in Iraq would not move close to Iran even if the United States pulls its troops out of Iraq.

Muthanna is situated between Najaf and Basra, which are the center of religion and the center of commerce in Iraq's central and southern parts. The 1920 riot against Britain's rule and occupation started in this province. Samawah is essential to observe the political situation in the central and southern parts of Iraq.

#### Questions & Answers (Figures shown in percentage)

Q: What do you think about the Self-Defense Forces' two-and-a-half-year deployment? (One choice only)

Very good 37  
Generally good 42  
Not very good 6  
Not good at all 7

Q: How were the SDF activities? (One choice only)

Very helpful 38  
Somewhat helpful 39  
Not very helpful 7  
Not helpful at all 8

Q: What was helpful? (Only for those who answered "very helpful" and

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"somewhat helpful" to the foregoing question. Up to two choices.)

Medical support 59  
Water supply 38  
Road repair 26  
School, facility repair 51  
Electric power supply 18  
Employment promotion 8

Q: Why was the SDF not helpful? (Only for those who answered "not very helpful" and "not helpful at all" to the foregoing question. Only one choice.)

Results short of expectations 41  
Results in specific areas only 27  
Results for specific people or individuals only 20  
SDF activities didn't meet local needs 11

Q: Was the SDF loved by local residents? (One choice only)

Very much 56  
Somewhat 32  
Not very much 3  
Not at all 2

Q: Did the SDF's deployment make you change your view of Japan? (One choice only)

Improved very much 40  
Improved somewhat 34  
Unchanged 18  
Worsened somewhat 2  
Worsened very much 4

Q: How is public security in Muthanna? (One choice only)

Very good 81  
Somewhat good 18  
Somewhat bad 0  
Very bad 0

Q: Do you support the current government? (One choice only)

Yes 72  
No 28

Q: Who do you think is appropriate for government leadership? (One choice only)

Nouri Maliki 40  
Ibrahim Jafari 30  
Abdul Aziz al-Hakeem 3  
Muqtada al-Sadr 6  
Iyad Allawi 16  
Ahmad Chalabi 2  
Other answers 3

Q: How are your daily lives now as compared with the prewar situation? (One choice only)

Improved very much 29  
Improved somewhat 33

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Unchanged 24  
Worsened somewhat 6  
Worsened very much 6

Q: What about your daily lives from now on? (One choice only)

Improve very much 44  
Improve somewhat 36  
Unchanged 12  
Worsen somewhat 3  
Worsen very much 3

Q: What is the most serious problem to you? (Up to two choices)

Unemployment 53  
Radical terrorism 35  
Potential civil war 9  
Foreign military presence 15  
Rising crime rate 4  
Rising prices 26  
Housing 12  
Water shortage 13  
Electric power shortage 32

Polling methodology: The survey was conducted Mar. 13-15 in and outside the Muthanna capital city of Samawah, in the northern Muthanna city of Rumaythah, and in the southern Muthanna city of Al Khodair, with 20 areas selected in each of these four regions. For the survey, 20 pollsters visited houses with odd numbers on their door plates. Voters aged 18 and over were chosen, and the one whose birthday is closest to the survey date in each family was picked and questioned. Answers were obtained from 1,215 persons, broken down into 516 men and 699 women.

(6) Thinking of whales while enjoying whale dishes

By Taku Endo

Whaling is still a highly controversial issue. The Sea Shepherd Conservation Society, a marine mammal protection group, even used force recently against research whaling vessels. People must be reminded that whaling is neither a political tool to be used in disputes between countries nor a dish served up by environmental groups. Eating whale meat has long been part of Japanese culture.

"We are not saying that we should catch all the whales. But price of whale meat is still high, and the public is not convinced with the government's eagerness to settle the issue (by resuming commercial whaling)."

This comment came from Keiichi Kikuchi, 75, a local historian in his studio in the city of Abashiri, Hokkaido, overlooking the Sea of Okhotsk.

Abashiri is one of the five whaling bases in Japan that include Taiji in Wakayama Prefecture and Wada in Chiba Prefecture. Japan annually catches several Baird's Beaked whales, apart from research whaling authorized by the International Whaling Commission (IWC). Unlike before and after WWII, there is no craze for whale meat today

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in Japan.

"When Japan accepted the IWC moratorium 20 years ago, nobody imagined that it would last long -- this long. Whaling is dwindling."

Striking a balance between traditional culture and natural conservation is never easy. To Kikuchi, the Japanese government and whalers seem too reluctant to take action against the international anti-whaling movement.

Kikuchi and I headed for the city's No. 1 whale restaurant as part of my assignment to write an article on whales, while enjoying whale dishes.

At the restaurant, we first ordered a raw whale meat plate including slices of lean meat, jaw, tongue, and belly, followed by fried whale meat and tailfin dressed with vinegar miso sauce. We also ordered a pot with whale meat and vegetables in soup stock.

Putting whale meat into the pot, Kikuchi said: "Blubber tastes exquisite. It's so mild that you can't stop eating it."

Minutes later, restaurant manager Masamichi Ishiguro, 41, came to our table, and explained:

"To anyone who has never tasted whale meat, I would recommend lean meat for starters. People generally think that whale meat has a smell. That is not the case with our meat. We serve meat from minke whales that were caught in research whaling. The meat today is tastier than in the past."

The dishes at the restaurant were a surprise to a person like me who had only tasted fried whale meat on school lunch menus. Cooked whale meat tastes like venison, and raw whale meat resembles tuna or bonito.

Kikuchi said cheerfully:

"Tasty foods are readily available today, so whale meat may not be appealing to young people who are accustomed to fatty foods. But I want people to be able to enjoy whale meat, which is really tasty, without reserve."

Activists aboard anti-whaling vessels of the Sea Shepherd group recently attacked research whaling ships in the Southern Ocean. Japan hosts this year's G-8 Summit in July in the Lake Toya hot-spring resort area in Hokkaido. Are some anti-whaling activists

going to come all the way to Hokkaido? Mr. Ishiguro categorically said: "We have never experienced any harassment or trouble, and we are going to run business as usual."

Even after returning to Tokyo, I clearly remembered Mr. Ishiguro's words, "Whale meat today is tastier than in the past." Is it true? I asked Toshio Nukui, 57, of Kyodo Senpaku, which sells meat from whales caught in research whaling.

"A sense of taste of those who ate whale meat in a food shortage and that of young people today is different. Whale meat today should feel tastier than in the past to those who ate whale meat in such an age."

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The reason is because whale meat is frozen quickly today. Every whale caught in research whaling is slaughtered within two hours and frozen speedily. Frozen meat is also thawed out slowly so as not to produce meat juice.

Nukui also noted:

"In the past, supplying meat was top priority and quality was secondary. So there was meat that was sinewy or smelly on the market. But today, we are very careful to provide meat that fits the prices."

At present, the wholesale price of lean meat is 1,990 yen per kilogram, and the quantity is limited. It is cynical to say that prices are too high since the taste has improved.

The existence of whales carries special significance for the Japanese people. When unilaterally told by foreign countries not to catch whales, we would like to rebut that eating whale meat is part of our food culture. At the same time, whale meat is not necessarily indispensable for dinner tables in Japan. Many young Japanese people have never tasted whale meat.

Sonoda Women's College Associate Professor Hisashi Hamaguchi, 52, who has written many books, including *Hogei no Bunka Jinruigaku* (Cultural Anthropology of Whaling), took this view:

"Whether to regard whaling as the culture of entire Japan is controversial. There is no doubt that common wisdom has been handed down for generations in some areas. In other words, whaling reflects the diversity of Japanese food culture."

Whale meat, once highly valued as an important source of protein, is now an expensive commodity. I fear that whale meat might disappear some day. Hamaguchi does not think so.

"Whale culture exists only in whale-eating areas in the world. Whaling technology and using whales as food are two sides of the same coin. In Japan, too, whaling and food culture are likely to persist for a long time."

In 2001, Hamaguchi had his students taste six whale dishes. A majority said that all dishes were tasty. In fact, some 80 PERCENT said that fried whale meat, whale meat boiled in soy sauce, and whale soup were tasty.

"Many students think that whales are just for watching. But once they taste whale meat, they recognize the existence of whale meat in their food culture."

Young men and women today seem to have an aptitude to accept whale meat as part of their food culture. The tradition of tasting whale meat is alive in our culture, albeit quietly yet firmly.

SCHIEFFER